

Arizona Commission on the Arts

Arizona's Case for the Arts 2004 - 2005



Critical Issues:

- > Building Vital Communities
- > Reaching All Arizonans
- > Preparing the Thinkers of Tomorrow
- > Investing in the Future of the Arts Business Sector



"The bottom line: Arizona must boost its
quality of life to boost its ability to
keep and attract the
world's best
talent."

*From Five Shoes Waiting to Drop, Arizona Policy
Choices 2001 on Arizona's Future, Morrison Institute,
Arizona State University*

“Aspects of tourism relating to museums and the cultural arts remain underrepresented in the **state’s economic structure**. Their further development not only would enhance **Arizona as a tourist destination**, but would also contribute to a quality of life of the highest standard that would help retain the skilled workforce that the state is able to attract.”

Arizona’s Economic Future for Arizona Department of Commerce, July 2002

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PHOTO CREDITS: COVER: Alex Wells, Lil' Wat First Nation, 2002 World Champion Hoop Dancer, Heard Museum; LEFT: Sedona Jazz on the Rocks; RIGHT: Tucson Symphony Orchestra



PHOTO CREDIT: Primavera, Folklorico Dance Company

Introduction

In preparing this case statement, the Arizona Commission on the Arts is aware of the challenges facing the economy of Arizona. At the same time, there is a need for strategic investment of state funds that will pay off in the near future and the long-term.

The Arizona population continues to grow at a tremendous rate. We have just been selected for the Translational Genomics (T-Gen) Project. We are still

rated number one for start-up companies and as a hot spot for entrepreneurs. Through the Arizona Commission on the Arts, the state makes a strategic investment of public dollars to assure a quality of life which is vital to economic and tourism development.

This document supports the findings of the agency's most recent strategic plan and the impact of increased arts dollars in Arizona communities.

Information about the "New Economy" tells us that economic success is driven by attracting knowledge workers - the growing class of people whose economic contribution is in what they know and how they apply that knowledge.

According to Richard Florida, a leading researcher in this area, this growing group of workers seeks active centers which "are not thriving for such traditional economic reasons as access to

natural resources or transportation... they are succeeding because creative people want to live there. Most civic leaders have failed to understand that what is true for corporations is also true for cities and regions: places that succeed in attracting and retaining creative people prosper; those that fail don't."

These knowledge workers demand a vital, 24-hour-a-day community with cultural and lifestyle amenities.

Florida goes on to describe how these workers choose where to live and work,

Arizona is poised for
success
with New Economy
workers.

and how they behave in their chosen location. They seek neighborhoods, places and experiences that are authentic, and in which they are active participants, not spectators. "I like to tell city leaders that finding ways to help support a local music scene can be just as important as investing in high tech businesses and far more effective than building a downtown mall."

Funds from the Arizona Commission on the Arts allowed us "to **pump life into the community**. The Commission's belief and support during the first year gave the festival an opportunity to prove itself."

Tombstone Film Festival

Creative centers provide the integrated eco-system or habitat where all forms of creativity, artistic, cultural, technological and economic endeavors can take root and flourish.

The new model for community possesses a richness of history and a strong sense of place; it combines innovation and economic growth with authenticity and a better way of life.

Arizona is poised for success with New Economy workers. The work of the Arizona Commission on the Arts contributes to and enhances the environment expected by these workers. ☘

PHOTO CREDIT: Ballet Arizona, Swan Lake



"Authenticity is
the opposite of
generic. It comes from the
mix: historic
buildings, established neigh-
borhoods, a unique music
scene or specific cultural
attributes...
**unique
and original
experiences..."**

*Richard Florida, from The Rise of the
Creative Class*

Overview

The **Arizona Commission on the Arts** connects people **to the arts**. With a 36-year history of success, the Commission today reaches every Arizona county, ensuring **all Arizonans can participate in the arts**.

Planning Process Our recent strategic planning process, involving over 350 individuals in public forums in each county, generated strategies for the Commission to help communities and the nonprofit arts industry remain competitive in the New Economy and serve the growing and increasingly diverse population of Arizona.

Vision An Arizona where all citizens experience the arts as integral to their lives.

Mission To enhance the artistic development of all Arizona communities, arts organizations and artists through innovative partnerships and stewardship of public funds.

Goals

- > All people in Arizona have access to diverse arts experiences.
- > Artistic and management skills of artists and arts organizations are strengthened.
- > The essential role of the arts in teaching and learning, particularly in K-12, is accomplished.
- > Access to arts information is provided through both "high-tech" and "high-touch" services.
- > Public policy is favorable towards Arizona's arts industry.
- > Stable financial resources to implement the plan exist.



PHOTO CREDIT: Heard Museum

92% of Americans say that the arts are important to the quality of life in their communities.

Louis Harris Poll

Arizona Non-Profit Arts Industry Snapshot

- > Over 500 arts organizations serve communities statewide, from small entrepreneurial organizations to major cultural institutions.

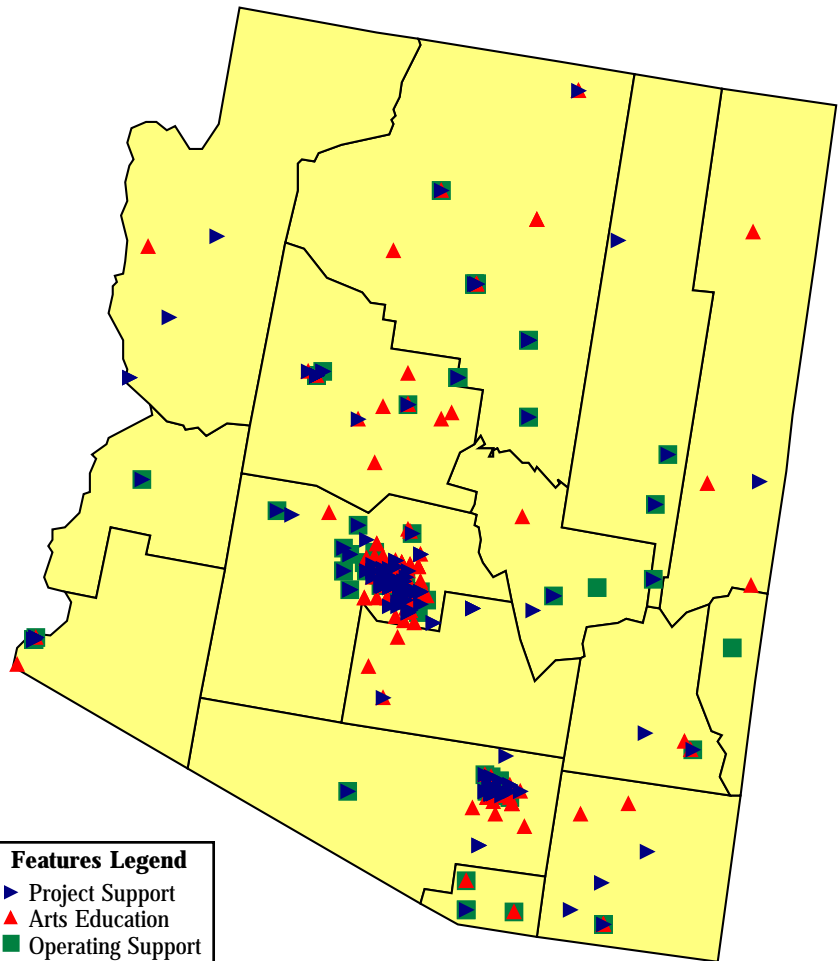
From 2000-01 ACA programs:

- > Projects took place in every county
- > Individuals benefiting at ACA sponsored events: 8,458,347
- > State funds leveraged match from individuals, corporations and foundations of: \$93,585,113

Critical Issues

- > Building Vital Communities
- > Reaching All Arizonans
- > Preparing the Thinkers of Tomorrow
- > Investing in the Future of the Arts Business Sector

Arizona Commission on the Arts Grantee Award Sites, Fiscal Year 2003* 533 grants, \$3.66 million investment of state funds



*Symbols indicate grantee zip code sites receiving at least one (and sometimes more than one) grant award.

CREDIT: National Assembly of State Arts Agencies

Budget Needs

In accordance with directions, the agency submitted a request for a flat budget. However, the agency wants to reflect the needs of the community in arts support. This chart shows what it would take to implement the agency's strategic plan.

- > To meet the needs of citizens and implement legislated public arts policy, the Commission's budget proposal includes an increased State investment of \$2,235,000 in FY04, maintained in FY05.
- > The Commission's proposal also includes reinstated deposits, as legislated, to Arizona ArtShare, the state arts endowment fund, in FY04 and FY05.
- > Arizona per capita arts funding for 2003 is \$.76. US average for 2003 is \$1.22.

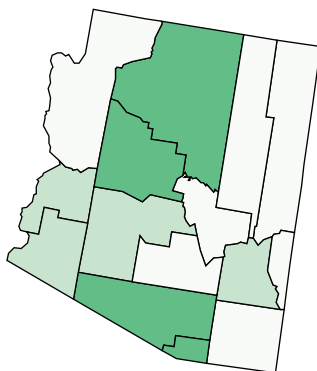
	Proposed Year 1 (FY2004)	Proposed Year 2 (FY 2005)
Appropriation (at 2003 level)	\$ 2,305,600	\$ 2,305,600
Arizona Arts Trust Fund (existing)	\$ 1,500,000	\$ 1,600,000
Arizona ArtShare (Interest income)	\$ 240,000	\$ 240,000
Proposed Increase	\$ 2,235,000	\$ 2,235,000
Total:	\$ 6,280,600 \$ 1.18 per capita*	\$ 6,380,600 \$ 1.20 per capita*

* based on population of 5,307,331

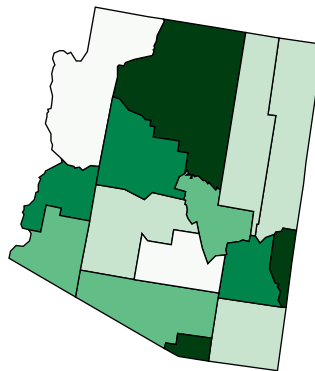
Arizona ArtShare (Principal Deposits)	\$ 2,000,000	\$ 2,000,000
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Arizona Commission on the Arts Per Capita Grant Dollars

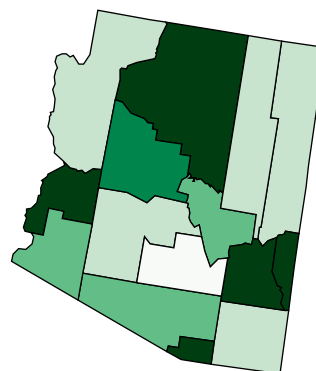
Fiscal Year 2003



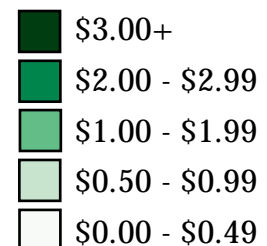
Fiscal Year 2004



Fiscal Year 2005



MAP KEY



CREDIT: National Assembly of State Arts Agencies

How We Measure Up

Reauthorization of the Arizona Commission on the Arts Beginning in September 2000, the State Auditor General conducted a Sunset Audit of the Arizona Commission on the Arts. The audit identified minor findings and complimented the Commission on its service to the state through its grants programs.

HB2167 was introduced in the 2002 session to continue the Arizona Commission on the Arts for 10 years until 2012. Governor Hull signed the bill into law on April 21, 2002. As of July 9, 2002 all recommendations of the Sunset Audit have been completed.

Plan Accountability: The Arizona Commission on the Arts has made progress with many elements of the strategic plan adopted in fall 2000.

- > Through a partnership with the Arizona Department of Commerce, Arizona Humanities Council and Arizona Community Foundation, initiated a pilot project to support projects that connect tourism, economic development and the arts in

Rural/Ethnic communities; 15 projects documented the impact of the arts on tourism and economic development.

- > Redesigned arts education programs to become more accessible and better address the needs of schools, teachers and students.
- > Expanded Artist/Teacher Institutes to rural and tribal communities; a very effective tool in reaching communities with limited access to arts education resources for teachers and students.
- > Participated in the expansion of ARTability, a consortium of 40 organizations, that connects people with disabilities to the arts.
- > Implemented more effective outreach services of Arts Commission staff; making better use of our website for the distribution of information, research and support services; more targeted outreach and in-person connections with communities.



Staff demonstrate a willingness to explore, improve and resolve the situation, always with **an ear and eye towards public desire and non-profit needs**. I'm not only pleased with services, but proud of an association that treats members of all arts organizations as peers.

Tucson Blues Society

2002-03 projects:

- > 28% of the projects funded were to organizations that did not apply for funding the previous year, demonstrating the agency's efforts to reach new and underserved areas.
- > Public review panels were composed of 32.8% ethnic minority and 22% rural participants, assuring diverse voices in the review and selection processes for funds.
- > 323 (63%) of the projects support arts education programs; 129 directly in the schools, 25 arts organizations exclusively serving youth, 29 community organizations serving students after school, and 140 arts organizations with outreach programs to students.
- > The 145 organizations receiving general operating support report success in improving their artistic product; broadening, deepening and diversifying their participants; and connecting to new community resources.
- > Organizations participating in the mid-size stabilization training report improvements in business practices including planning, finance and governance.
- > Satisfaction surveys rate the agency at 7.5 out of 8.0 on programs and services.

Building Vital Communities

The Opportunity: Arizona's investment in the arts contributes to the health, diversity and competitiveness of our communities and supports economic development by attracting an educated and engaged work force.

Prize-winning Stanford economist Paul Romer makes the case that, in advanced economies, ideas are the primary catalyst for economic growth. New ideas generate growth by reorganizing physical resources (natural, human, capital) in more efficient and productive ways.

With Arizona's selection as the home for the new Translational (T-Gen) Genomics Consortium, our State will be expected to live up to its commitment to new ideas and technologies. Employees and families of these new industries want and expect quality arts opportunities in lively, vibrant communities. They want to live in places that are fun and interesting, unique and authentic rather than corporate and mall-like.

Today, economic development is about competing for talent. Arizona competes regionally, nationally and globally for the investment capital, skilled workers and market opportunities needed to stimulate and sustain economic growth. People no longer follow jobs—instead they move to the most livable places, and jobs and companies follow them there. Vibrant, "24/7" communities which offer many aesthetic and cultural experiences will be the winners.

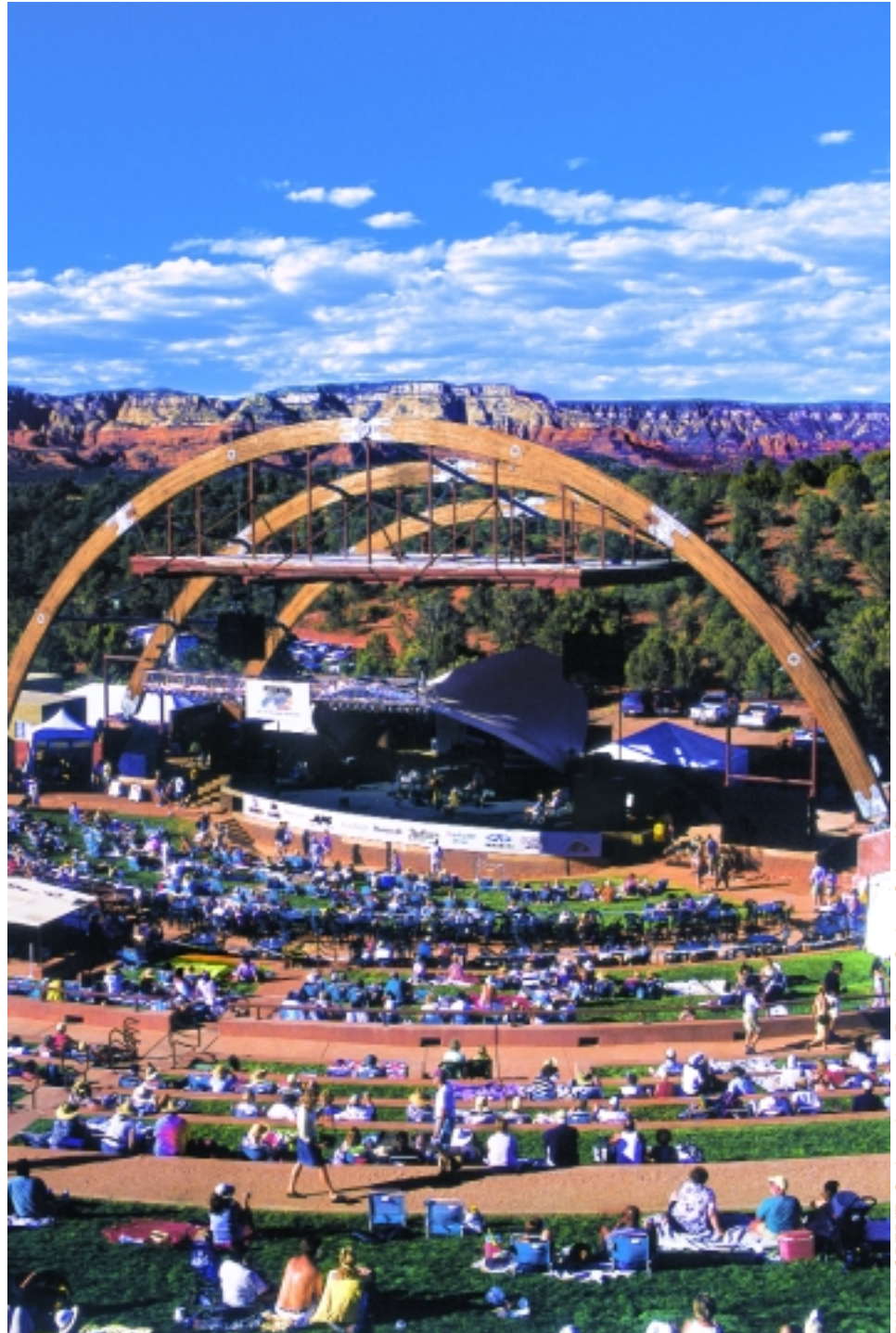


PHOTO CREDIT: Sedona Jazz on the Rocks at Sedona Cultural Park

“[Workers] demand a vital, 24-hour-a-day community with **cultural and lifestyle amenities...**

They seek neighborhoods, places and experiences that are **authentic.**”

Richard Florida, from The Rise of the Creative Class

Organizations receiving general operating support, that thereby leverage additional public and private support.	145 organizations
Total budgets of these 145 organizations:	\$76,834,607
Total number of employees:	906
Payroll and contracted services:	\$53,637,983

The Challenge: If Arizona does not position itself as a state with many different, vibrant communities, today's workers will not move here. They will not bring their intellectual capital, material assets and current or future families. Instead they will move to another state that does offer the quality of life they seek.

Without the State's investment in the arts industry, the economic development agenda of communities will be limited and compromised, and the public will have reduced opportunities to participate in the quality and diverse programs now available in the arts. Many arts related jobs will be lost and tax revenue from those jobs will be lost. ☹

PHOTO CREDIT: Phoenix Symphony



- > support the artistic product and experiences today's worker and resident expect and demand -- ensuring high quality artistic product year round through major and emerging arts institutions
- > ensure an exciting mix of artistic and cultural experiences that today's younger workers seek when deciding where they want to live and work
- > provide a stabilizing force of funding that allows organizations to leverage other resources including local contributions and earned income
- > improve the quality and business practices of small artistic businesses
- > return value to the State and local tax base through the purchases of goods and services; payroll taxes for full-time employees

New \$ Needed: \$1,110,000

Reaching All Arizonans

The Opportunity: Currently, Arizona's rural and ethnic communities, as well as people with disabilities, do not have equal access to the arts.

Arizona can reduce the disparity of the arts between the rural and ethnic communities and the large urban centers. The Arts Build Communities is an exciting opportunity for rural and ethnic communities to express their authenticity and uniqueness through grassroots and diverse arts programs.

The development of artistic product within rural and ethnic communities will result in programs of interest to residents and tourists. Studies show that travelers will lengthen their trips because of cultural events and activities.*

Our pilot projects have enhanced tourist participation at programs such as the **Grand Canyon Music Festival**, the **Tombstone Western Film Festival** and the **Tohono O'odham Community Action** annual Basketweavers Gathering. During the last decade, the Commission has

supported tours of major dance companies to many rural communities through our program, Dance on Tour.

The Challenge: Without additional State investment in The Arts Build Communities, Arizona's rural and ethnic communities will continue to lag behind urban areas in access to arts experiences; and will lose their competitive edge in attracting new residents, businesses and the cultural tourist, along with substantial expenditures and tax revenue. The exciting potential for building community identity and pride through such events, creating stronger communities and increasing retention of businesses and residents, will be compromised. ☘

"... the sheer volume of travelers interested in **arts and history** as well as their spending habits, leaves no doubt that history and culture are now a **significant** part of the U.S. travel experience."

Travel Industry Association of America, 2002

*The Historic/Cultural Traveler, 2001 Edition - Travel Industry Association of America

PHOTO CREDIT: Rikki Francisco



Support from the NEA and ACA

provided a sort of "seal of

approval that served to

leverage funding from other

sources. Support for the

Celebration of Basketweaving

created an

**economic
ripple effect.**

The market portion of the event

saw approximately

\$125,000 in revenue

directed to the **Native**

American artists through

the sale of their artwork

to the general public."

*Tohono O'odham Community Action,
Basketweavers Gathering, Tucson*



PHOTO CREDIT: ABOVE: *Bootmaker Bob, 1999. Trappings*; TOP RIGHT: *David Barr*



- > develop "signature" arts projects that reflect the uniqueness and authenticity of communities
- > link programs with economic development and tourism efforts in rural and ethnic communities
- > increase the number of festivals, artist residencies, performing arts series, Dance on Tour events and readings to engage residents and attract newcomers
- > expand ARTability, Accessing Arizona's Arts, the statewide consortium connecting people with disabilities to the arts

New \$ Needed: \$420,000

"The 12th Annual Trappings of the American West Exhibition **attendance** figures **doubled** from last year's event. We established positive collaborative partnerships with ten new organizations. The national office of **tourism recognized 'Trappings' as one of the top 100 art and cultural events in the United States.**"

Dry Creek Arts Fellowship, Flagstaff

Preparing the Thinkers of Tomorrow



PHOTO CREDIT: Damian Charette

The Opportunity: To prepare the thinkers of tomorrow, Arizona's schools and educators need access to arts education programs, and strategies.

Every day, arts teachers ask their students to engage in learning activities that require use of higher order thinking skills: analyze, analogize, compare, synthesize, and theorize. Arts education

"We were astounded at the writing produced by my students, many of whom participate in a very minimal way ordinarily. I know that **it meant a great deal to the students**

to be taken seriously for their writing and have their stories heard."

Artsreach, Tucson

involves the simultaneous use of a range of intellectual activities that is not possible in other academic disciplines:

- > express ideas, thoughts, and feelings in both concrete and abstract forms
- > develop organizational skills, flexibility, and leadership abilities
- > learn that problems often have multiple solutions
- > learn to make decisions on the basis of standards and criteria
- > develop and exercise judgement



“Our students - who may not shine in traditional music classes, who may not have the money for private lessons, may not have the means to attend concerts with professional musicians, may not have the drive to create their own art, may not have the opportunity to be praised - **received all this, and more.**”

Esperero Canyon Middle School, Tucson

- > describe, analyze, compare, interpret, infer, and generalize in a wide range of shifting contexts.

Arts education programs are also an effective strategy for troubled youths who have failed to respond to more traditional education programs, altering the attitudes young people have about themselves and learning. Recent research demonstrates the arts can help “level the playing field” for youngsters from disadvantaged circumstances.

“Creativity and innovation have always been important,” says researcher Shira White, “but because of technological advances, speed of communications, growth of information and the rapid changes of the last decades, the need for creativity has never been greater.”

In recognition of the need for Arizona students to develop the skills and gain the knowledge that will make them competitive in the changing and global work environment, the Arizona Department of Education has mandated arts standards. However, the ability of Arizona's schools and districts to implement these required standards varies widely. The

Arts Commission is prepared to help districts in meeting this unfunded mandate.

Over the last two years, the Commission has restructured its arts education program to better respond to the disparate needs, readiness and capacity in Arizona's urban, suburban and rural districts.

The programs go beyond “exposure” to build meaningful integration of the arts in learning and to support Arizona's arts standards.

The Challenge: Without strong and consistent arts education programs, Arizona's students will not develop these skills in critical thinking and creativity - the essential skills they need for success in the workplace of today and tomorrow. Without State investment, many Arizona students may not meet the required arts standards, as their schools and districts lack the resources to train classroom teachers in this curriculum area; smaller and poorer districts will continue to lag behind in providing this education to their students; and rural communities will have decreased access to in-school and after-school arts programs. ☘

“I wanted ideas to help build a classroom community,

help kids who have trouble staying focused, and

integrate the arts into what I'm already doing. This has been

the most valuable 2-½ days spent in regard to teacher resource and method development!”

Arts Alliance of the White Mountains, Show Low

- > help those schools with students who have little or no arts education learn about the arts
- > extend and deepen programs for schools which presently offer students and faculty medium and high levels of involvement in arts education
- > support arts institutions in the expanded and deepened delivery of arts education services and experiences to schools, students and teachers in their community
- > expand after-school arts programs
- > provide professional development for teachers with little or no arts education background
- > present professional development opportunities for arts specialists and artists in using the standards and assessment

New \$ Needed: \$705,000

Investing in the Future of the Arts Business Sector

The Opportunity: The State established Arizona ArtShare in 1996 and \$8 million of the \$20 million commitment has been met. For two years, the annual \$2 million deposit has been delayed because of the budget challenges. It is time to resume the commitment made to the program in 1996.

The State retains the investment in perpetuity; the annual deposit is never spent. Arizona ArtShare utilizes only the interest income from the principal to fund these programs.

Many business development needs for the arts sector are met through Arizona ArtShare.

The State's investment in Arizona ArtShare is particularly strategic in challenging economic times such as these. The organizations participating in these

programs are receiving knowledge, skills and cash liquidity that make them more flexible and capable in dealing

The Challenge: If annual deposits to Arizona ArtShare do not resume, the arts organizations' ability to maintain their program capacity will be compromised. As organizations grow and change, both consultancies and working capital reserves must keep pace to ensure the long-term adoption and integration of these business principles.

Organizations receiving working capital reserves must, as a condition of the grant, maintain minimum levels of existing working capital reserves - the Commission's tool for requiring financial discipline. The remarkable and necessary management and

board improvements realized through ArtShare consultancies will wane as time passes and people change.



with fluctuations in their environment and in their finances.

PHOTO CREDIT: David Barr



Participating organizations report the following results of this strategic investment:

- > A strategic planning process that has resulted in integrated business plans. Examples include the connection of financial planning to the overall organizational planning process; realistic goals rather than visions; and gaining a sense of responsible stewardship.
- > Improvements in the way organizations are governed, and clearer distinctions between governance and management. Participants report: board members are better educated about the organization; board guidelines and a board recruitment matrix have been created; along with boards which have clearer expectations and increased interest and capacity.
- > Increased planning and governance has resulted in stronger credibility within the funding community and an increased ability to attract new resources.
- > Increased ability to report, analyze and use financial information, resulting in improved planning, better cash flow management and more control of finances. Examples include a better understanding of balance sheets, creation of a

finance committee and computerization of bookkeeping tasks.

- > The participating organizations not only are stronger businesses and arts providers in their communities, but are looked to as mentors for other organizations in the state and region.

Participating organizations indicate the need for follow-up training to institutionalize the work started in the initial consultancies, and to address new dynamics such as the engagement of new board members and dealing with board succession issues; continued executive education; upgrading skills in financial planning and management; and assistance with environment scans and responding to the speed of community changes. ☘

- > provide training to become more effective businesses
- > Working Capital Reserves grants are tools to leverage commitment and understanding within the organization of the need to build liquidity and are a key cash flow management tool
- > help arts organizations connect their programs to new participants

New \$ Needed:

\$2,000,000 of which only the interest income is expended

Understanding Participation



Arts Participation

What motivates people to participate in the arts? What do arts organiza-

tions need to know and do to connect more deeply with their community? Why is one person inclined to give time and money to an arts organization while their younger brother or best friend isn't interested?

These are among the questions the Arizona Commission on the Arts is examining in depth. The Commission has been awarded a \$500,000 research grant by the Wallace-Reader's Digest Funds, a New York-based national

the Commission will
gather and share
research and
best practices

foundation. The five-year grant is part of a new State Arts Partnerships for Cultural Participation (START) initiative, and involves twelve other states.

As leaders in arts policy development and grantmaking, the Arizona Commission on the Arts is in a unique position to work with arts organizations and artists to encourage broader participation in the arts. Over the course of the project, the Commission will gather and share research and best practices in broadening public participation in the arts. We'll also work closely with

Arizona artists, arts organizations and individuals to test and model new practices. The project will move beyond the goal of simply building larger audiences. Through the Understanding Participation project, the Commission intends:

- > To make an investment in organizations and programs that are connected and relevant to individual communities
- > To develop a clearer understanding of how to strategically invest state funds in ways that broaden, deepen and diversify participation
- > To make arts experiences more meaningful and accessible
- > To develop better, more engaged volunteers, donors and board members
- > To better understand the impact of deep, rich arts experiences on the lives of Arizonans and their communities
- > To develop authentic and lively arts experiences that attract diverse workers, visitors and residents to our state

The Arizona Commission on the Arts' project involves exploring and learning about participation in our own agency's programs and services, and using this understanding to assist our constituent artists, organizations and communities in their own learning about arts participation. ☘

PHOTO CREDIT: Arizona Commission on the Arts



"Funds from the Arizona Commission on the Arts allowed us to partner with the local tourism commission and expanded the reach of promotion and audience participation."

The audience for the festival doubled and we were able to track where people heard about the event."

Northern Arizona Book Festival, Flagstaff - Rick Swanson

“As a result of the wonderful experience of Aspen/Santa Fe Ballet in **Bullhead City**,

it is our audiences, religious leaders and theater community that is not just wanting, but

demanding, that **ballet** be brought to the community.”

Pam Campbell, Bullhead City, Arizona Dance on Tour site



PHOTO CREDITS: TOP: Arizona Commission on the Arts; UPPER LEFT: Arizona Theatre Company; ABOVE: David Barr; RIGHT: Arizona Commission on the Arts; BACK COVER: RIGHT: Heard Museum; UPPER LEFT: David Barr; LOWER LEFT: David Barr

Commission Members

Members of the public appointed by the Governor for three-year terms.

Chairperson Jane Jozoff PARADISE VALLEY	Gary Avey PHOENIX
Vera Marie (Bunny) Badertscher TUCSON	Virginia Cardenas CHANDLER
Joe Castillo PHOENIX	Pam Hall PHOENIX
Dave Howell PHOENIX	Gail Jacobson PATAGONIA
Dennis Kavanaugh MESA	André Licardi GLENDALE
Irene Lundahl PHOENIX	Don Luria TUCSON
Beverly Miller SEDONA	Margaret Wood PHOENIX
Lisa Wilkinson-Fannin PHOENIX	Shelley M. Cohn EXECUTIVE DIRECTOR

This document is available in alternative formats by contacting the Arts Commission at 602-255-5882.



An Equal Opportunity Agency



The **Arizona Commission on the Arts** connects people to the **arts**. With a 36-year history of success, the Commission today reaches every Arizona county, ensuring **all Arizonans can participate in the arts**.



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